II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 21 February 1986

accepting undertakings given in connection with the anti-dumping proceeding concerning imports of fibre building board from Finland and Sweden and terminating the investigation

(86/35/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 2176/84 of 23 July 1984 on protection against dumped or subsidized imports from countries not members of the European Economic Community [1], and in particular Article 10 thereof,

After consultations within the Advisory Committee as provided for by the above Regulation,

Whereas,

A. Procedure

1. On 9 January 1985, the Commission reopened the anti-dumping proceeding concerning imports of fibre building board of wood originating in Finland and Sweden [2], because of the changes in the corporate structures of the exporting companies concerned as set out in the Commission's notice of reopening. The product concerned is fibrebuilding board, with the exception of medium board, falling within heading No ex 44.11 of the Common Customs Tariff and corresponding to NIMEXE code 44.11-10, 20, 91 and 99.

2. The Commission officially so advised the exporters and importers known to be concerned, the representatives of the exporting countries and the complainant and gave the parties directly concerned the opportunity to make known their views in writing and to request a hearing.

   Some Community producers, the exporters concerned and some importers made their views known in writing. In addition, the Swedish exporter and the legal successor of two of the Finnish exporters concerned requested, and were granted, a hearing.

3. The Commission sought and verified all information it considered necessary and carried out investigations at the premises of the following:

   EEC producers:

   — GUTEX, H. Henselmann, GmbH & Co, Waldshut-Tiengen, Federal Republic of Germany,
   — Hornitex Werke, Horn-Bad Meinberg, Federal Republic of Germany,
   — Odenwald Faserplattenwerk GmbH, Amorbach, Federal Republic of Germany,
   — Renitex GmbH, Losheim/Saar, Federal Republic of Germany,
   — Isoroy SA, Lisieux, France,
   — Unalit SA, Saint-Jean-de-Losne, France,
   — Legnochimica SpA, Mondoví, Italy,
   — Orsa SpA, Mondoví, Italy.

   Exporters:

   — Ahlström, Oy, Pihlava, Finland,
   — Enso-Gutzeit Oy, Heinola, Finland,
   — Suomen Kuitulevy Oy, Heinola, Finland,
   — Wilh. Schauman Oy, Helsinki, Finland,
   — Karlit AB, Karlholmsbruk, Sweden.

   Importers:

   — Wekapal GmbH, Bad Salzuflen Federal Republic of Germany.

   The investigation of dumping covered the period from 1 January to 31 December 1984.

[1] OJ No L 201, 30. 7. 1984, p. 1.
[2] OJ No C 6, 9. 1. 1985, p. 4.

B. Normal value

4. (a) *Sweden*

The investigation to determine the existence of dumping has shown that the prices of hardboard, the only kind of fibre building board produced and exported by Karlit AB, sold by that company on its domestic market had, over an extended period of time and in respect of substantial quantities, been lower than the the cost of production. The normal value was therefore determined on the basis of the constructed value. To determine the constructed value, the Commission added the cost of production, including a reasonable amount for selling, administrative and other general expenses, and a reasonable margin of profit.

(b) *Finland*

For all Finnish exporters. normal values for both kinds of fibre building board here concerned, i.e. hardboard and insulating board, were established on the basis of domestic prices actually paid or payable in the ordinary course of trade for the like product, since these prices were shown to be profitable.

C. Export price

5. Export prices for all exporters concerned were determined on the basis of the prices actually paid or payable for the products sold for export to the Community.

6. The export prices of Karlit AB to the German importer and processor of hardboard which was associated with Karlit AB as of 1 January 1985 did not have to be constructed since the association did not yet exist during the investigation period. Nevertheless, the Commission sought and verified all relevant costs and prices of that importer in view of a possible renewed offer of an undertaking by Karlit AB which, in its terms, would have to take account of such association.

D. Comparison

7. In comparing normal value with export prices the Commission took account, where appropriate, of differences affecting price comparability, in particular quantity discounts and rebates, as well as conditions and terms of sale such as credit terms, transport, insurance, handling and salesman's salaries. Due allowance for such differences was made where claims in these areas could be satisfactorily demonstrated.

All comparisons were made at ex-works level and for each individual transaction.

E. Margins

8. The above examination of the facts shows the existence of dumping in respect of all exporters involved, the margin of dumping being equal to the amount by which the normal value as established exceeds the price for export to the Community.

9. These margins vary according to the exporter, the importing Member State and the type of fibre building board concerned, the weighted average margin for each of the exporters investigated being as follows:

Finland:

— Ahlström Oy:	16,78 % for hardboard; 26,62 % for softboard
— Enso-Gutzeit Oy:	11,5 % for hardboard; 12,12 % for softboard
— Wilh. Schauman Oy:	11,14 % for hardboard; no exports of softboard

Sweden:

— Karlit AB:	5,4 % for hardboard, no exports of softboard

F. Injury

10. In 1982, after having carried out anti-dumping investigations concerning imports of fibre building board from various countries, the Commission, by Regulation (EEC) No 1633/82 [1] established that dumped imports of fibre building board, including dumped imports from Finland and Sweden, had caused injury to the Community industry concerned and that protective measures were necessary. Consequently, the Commission accepted the undertakings eliminating the injury which were offered by the exporters concerned in the present investigation.

11. While these undertakings have improved the position of the Community fibre building board industry, the situation of this industry is far from being satisfactory. It is still characterized by low capacity utilization, reduced profits and high import penetration. Consequently, the production of hardboard by the Community industry has declined from 520 200 tonnes in 1982 to 465 500 tonnes in 1984, with sales of this industry in the Community decreasing from 412 400 tonnes to 403 800 tonnes over the same period.

12. At the same time, the consumption of hardboard remained relatively stable so that there was a further decrease of the market share held by Community producers within the Community. Furthermore, three Community producers of fibre building board were forced to cease production since 1982 which resulted in a further loss of employment.

[1] OJ No L 181, 25. 6. 1982, p. 19.

13. On the other hand, imports of hardboard from Finland into the Community went up from 38 146 tonnes in 1982 to 42 990 tonnes in 1984 which represents an increase in market share from 4,3 % to 4,8 %. Imports of that product from Sweden into the Community, in spite of decreasing from 118 337 tonnes in 1982 to 112 449 tonnes in 1984, only suffered a minor reduction in market share from 13,3 % to 12,6 % over that period.

14. There is no indication, therefore, that in the absence of protective measures, dumped imports of fibre building board from Finland and Sweden would not again cause material injury to the Community industry.

G. Community interest

15. In view of the serious difficulties still facing the Community industry, the Commission has come to the conclusion that it is in the Community's interest that action be taken, except in the case of Wilh. Schauman Oy, Helsinki, which ceased to produce and export hardboard at the end of 1985.

H. Undertakings

16. The exporters concerned were informed of the main findings of the investigation and commented on them. Undertakings were subsequently offered by Karlit AB, Sweden, concerning their exports of hardboard to the Commuity, and by Suomen Kuitulevy Oy, the legal successor of the fibre building board divisions of Ahlström Oy, Pihlava and Enso-Gutzeit Oy, Heinola, concerning their exports of fibre building board to the Community.

17. The effects of the said undertakings will be to ensure that export prices to the Community will be at a level sufficient to eliminate injury to the Community industry. Insofar as price increases are foreseen in these undertakings they, in no case, exceed the dumping margins found in the investigation. Moreover, it appears that correct operation of these undertakings can be effectively monitored, in particular since the Commission during its investigation did not observe any violations of the undertakings previously in force.

18. In these circumstances the undertakings offered are considered acceptable and the investigation may, therefore, be terminated without the imposition of anti-dumping duties.

19. No objection to this course was raised in the Advisory Committee.

HAS DECIDED AS FOLLOWS:

Article 1

The undertakings given by Suomen Kuitulevy Oy, Heinola, and Karlit AB, Karlholmsbruk, in connection with the anti-dumping investigation concerning imports of fibre building board, with the exception of medium board, falling within Common Customs Tariff heading ex 44.11, corresponding to NIMEXE codes 44.11-10, 20, 91 and 99 originating in Finland and Sweden, are hereby accepted.

Article 2

The anti-dumping investigation referred to in Article 1 is hereby terminated.

Done at Brussels, 21 February 1986.

For the Commission

Willy DE CLERCQ

Member of the Commission